

BYLAWS OF
DRAGON MOUNTAIN RANCH UNIT 2 PROPERTY OWNERS ASSOCIATION

ARTICLE 1

General

Section 1.1 - Declaration. These Bylaws shall constitute the Bylaws of DRAGON MOUNTAIN RANCH UNIT 2 PROPERTY OWNERS' ASSOCIATION, (the "Association"), an Arizona non-profit corporation incorporated on 21 January 2014 pursuant to the Declaration of Covenants, Conditions and Restrictions for Dragon Mountain Ranches Unit Two (Escalante Phase), dated 28 May 1998 and recorded 5 June 1998 as Instrument No. 980616803 official records of the Cochise County, Arizona Recorder (the "**Declaration**").

Section 1.2 - Personal Application . All present or future Owners, Occupants, or any other persons who might use the Property in any manner, are subject to the regulations of these Bylaws.

Section 1.3 - Nonprofit Corporation. The Association is an Arizona nonprofit corporation , and is organized and existing under and by virtue of the laws of the State of Arizona. The office of the Association shall be located at % Davidson & Kaffer, PLLC, 8700 E. Pinnacle Peak Road, Suite 221, P.O. Box 27500, Scottsdale, Arizona 85255.

Section 1.4 - Terms. The capitalized terms utilized in the Bylaws shall have the same meanings as set forth in the Declaration.

ARTICLE 2

Membership and Voting Rights

Section 2.1 - Membership. Every Owner shall be a Member of the Association. An Owner shall remain a Member of the Association until such time as he ceases to be an Owner, at which time his membership in the Association shall automatically cease. Ownership of a Parcel shall be the sole qualification and criterion for membership. Membership shall be appurtenant to and may not be separated form ownership of any Parcel. Transfer of Parcel ownership, either voluntarily or by operation of law, shall terminate the membership of the transferors thereof in the Association. A membership in the Association shall not be transferred, pledged or alienated in any way except on the sale of such Parcel and then only to such purchasers, or by intestate succession, testamentary disposition, foreclosure of mortgage of record or other legal process. Any attempt to make a prohibited transfer is void and will not be reflected on the books and records of the Association. In the event an Owner fails or refuses to transfer the membership registered in his name to the purchaser of such Parcel, the Association shall have the right to record the transfer upon the books

of the Association and thereupon the old membership outstanding in the name of the seller shall be null and void as though the same had been surrendered.

Section 2.2. - Number of Votes. Each Member/Owner shall be entitled to one (1) vote for each Parcel owned, which such Owner may exercise in the manner and at the times specified in the Declaration and these Bylaws. Fractional votes shall not be allowed. However, if a Member/Owner holds more than one (1) vote, the votes need not be cast as a unit.

Section 2.3 - Multiple Ownership. If a Parcel is owned by a corporation, partnership, or similar type entity or by two or more persons in joint tenancy, tenancy in common, or as community property or other form of joint ownership, the membership as to such Parcel shall nevertheless be a single membership, and the Owners or joint Owners shall designate to the Association, in writing, the person who shall have the power to vote the membership. In the absence of such a designation, and until such a designation is made, the Board shall make the designation based upon the person who first exercises the then-current vote on behalf of the Parcel. If the Board fails to make such designation, any authorized representative of a Parcel's Owner(s) shall have the power to vote the membership attributable to such Parcel. In such event, if conflicting votes are cast on behalf of any one membership, only the first vote so cast will be counted.

Section 2.4 - Certificates. No certificates of membership shall be issued and membership shall be evidenced by an official list of Owners kept by the Secretary of the Association.

ARTICLE 3

Meetings of the Members

Section 3.1 - Place. All meetings of the Members shall be held within the State of Arizona, Cochise County, at such place and time as shall be designated by the Board of Directors of the Association and stated in the notice of meetings.

Section 3.2 - Notices. It shall be the duty of the Secretary of the Association to serve a notice of each annual or special meeting, stating the time and place thereof to each Owner of record at least ten (10) days, but not more than sixty (60) days prior to such meeting. Notices of any special meeting shall state the purpose thereof. All notices shall be served in one of the following manners: (1) via first-class U.S. mail, postage prepaid, sent to the address of the Owner as it appears in the records of the Association; or, (2) via confirmed facsimile, sent to the facsimile number of the Owner as it appears in the records of the Association; or, (3) via confirmed electronic mail, sent to the electronic mail address of the Owner as it appears in the records of the Association. Notice shall be deemed properly given, as follows: (1) if mailed, upon deposit into the U.S. mail; (2) if by facsimile, upon receipt of a machine generated confirmation that the facsimile transmission was successful; or, (3) if by electronic mail, upon the receipt of a confirmation that the transmission was received.

Section 3.3. - Annual Meeting. An annual meeting of Members shall be held at the

Association office, or such other place as may be fixed by the Board of Directors and set out in the notice of the meeting, on the first Saturday of February of each year, for the purpose of electing directors and transacting other business authorized to be transacted by the Members. However, the Board of Directors may by resolution fix the date of the annual meeting at such other date as the Board may deem appropriate.

Section 3.4 - Special Meetings. Special meetings of the Members, for any purpose or purposes, may be called by the President or by the Vice President whenever deemed expedient or necessary. The President or Vice President shall call a special meeting of the Members when so requested by the Members who are entitled to vote twenty-five percent (25%) of all of the votes in the Association, or when so instructed by a majority of the Board of Directors.

Section 3.5 - Quorum . At a meeting of the Members, ten percent (10%) of the Members entitled to vote at the meeting, present in person or represented by absentee ballot, shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Members present, either in person or by absentee ballot, may adjourn the meeting to a time not less than five (5) nor more than sixty (60) days from the time the original meeting was called. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been conducted at the meeting originally noticed, provided that at any such adjourned meeting, five percent (5%) of the Members entitled to vote at the meeting, present in person or represented by absentee ballot, shall constitute a quorum for the transaction of business. In the event any meeting is adjourned to a time of more than thirty (30) days from the time the original meeting was called, notice of such adjourned meeting shall be given in accordance with Section 3.2 above. For the purposes of the use of an absentee ballot, the original meeting and any adjourned meeting(s) held after the time the original meeting was called, shall be deemed to be a single meeting.

Section 3.6 - Majority. Unless a greater number of votes is required pursuant to the Declaration, a majority of the votes of Members present at any meeting at which a quorum is present shall decide any question.

Section 3.7 - Voting. A Member may vote in person or by absentee ballot executed in writing by such Member. Such absentee ballot shall be filed with the Secretary before or at the time of the meeting and be subject to the following requirements: (a) the absentee ballot shall set forth each proposed action; (b) the absentee ballot shall provide an opportunity to vote for or against each proposed action; (c) the absentee ballot is valid for only one specified election or meeting of the members and expires automatically after the completion of the election or meeting; (d) The absentee ballot specifies the time and date by which the ballot must be delivered to the Secretary of the Board of Directors in order to be counted, which shall be at least seven days after the date that the Board delivers the unvoted absentee ballot to the Member; and, (e) the absentee ballot does not authorize another person to cast votes on behalf of the member. Votes cast by absentee ballot or other form of delivery are valid for the purpose of establishing a quorum.

Section 3.8 - Cumulative Voting. Members shall have the right to cumulate their votes. In order to avoid any misunderstanding as to how cumulative voting works, in order to

determine how many votes it would take to guarantee the election of a particular individual to the Board of Directors using cumulative voting, the following formula shall be used to answer that question:

$$\frac{nv + 1}{D + 1} = V$$

In the foregoing formula, “n” equals the number of votes allocable to each Owner under the cumulative voting rules; “v” equals the Number of Votes eligible to be cast at the subject meeting based upon the attendance of the Owners (in person or by absentee ballot), calculated in accordance with Section 2.2 of these Bylaws and without consideration as to the application of cumulative voting rules; “D” equals the number of directors to be elected at the meeting; and “V” equals the number of votes necessary to assure the election of one individual.

For example, assume that there are five directors to be elected at the meeting; and, the meeting is attended, in person or by absentee ballot, by 71 Parcel Owners. Under these circumstances, the number of votes allocate to each Owner equals 5; pursuant to Section 2.2 of these Bylaws, the Number of Votes eligible to be cast equal 71. Therefore the formula is, as follows:

$$\frac{5(71) + 1}{5 + 1} = 59.3$$

Therefore, a candidate would have to receive at least 60 cumulative votes to assure his/her election to the Board of Directors.

Section 3.9 - Informal Action. Any action required to be taken at a meeting of the Members, or any other action which may be taken at such meeting, may be taken without a meeting if the Association delivers a written ballot to every member entitled to vote on the matter. The written ballot shall: (a) set forth each proposed action; and, (b) provide an opportunity to vote for or against each proposed action. Approval by written ballot pursuant to this section is valid only if both: (a) the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action; and, (b) the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall: (a) indicate the number of responses needed to meet the quorum requirements; (b) state the percentage of approvals necessary to approve each matter other than election of directors; and, (c) specify the time by which a ballot must be delivered to the corporation in order to be counted, which time shall not be less than three days after the date that the corporation delivers the ballot. Except as otherwise provided in the Articles of Incorporation or these Bylaws, a written ballot shall not be revoked.

Section 3.10 - Irregularities. All information and/or irregularities in calls, notices

of meetings and in the manner of voting, form of ballots, credentials, and method of ascertaining those present, shall be deemed waived if no objection is made at the meeting or if waived in writing.

Section 3.11 - Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members, or in order to make a determination of Members for any other purpose, the Board of Directors, at its election, may provide that the Membership books shall be closed for a stated period, but not to exceed in any case thirty (30) days prior to the event concerned.

ARTICLE 4

Board of Directors

Section 4.1 - Membership. The affairs of the Association shall be conducted by a Board of Directors of at least three (3) but not more than five (5) members and such officers as the Board may elect or appoint in accordance with the Articles and Bylaws. Unless a specific provision of the Declaration expressly permits or requires the Members of the Association to take action, all actions and business of the Association shall be conducted exclusively by the Board and the Association officers, employees, committees, managers and agents appointed or elected by and acting under the direction of the Board, and actions taken by the Board, the officers, employees, committees, managers and agents shall not be subject to review by the members. The initial Board shall be comprised of the following individuals: Janet Davidson, William Kastens and Lydia Mangen. In order to facilitate continuity and the orderly transition from Board to Board, Board members shall serve staggered terms, as follows: Janet Davidson shall serve a four (4) year term; Wiliam Kastens shall serve a three (3) year term; and, Lydia Mangen shall serve a two (2) year term. Thereafter, all Board members elected at any election shall serve two (2) year terms. All such terms shall expire at the conclusion of the Association's annual meeting held during the final year of the term. Each Board member elected shall be an Owner or an officer, director, shareholder, beneficiary, or trustee of, or partner in, an Owner. The Board may also appoint various committees and may hire or engage a manager or management company who shall be responsible for the day-to-day operation of the Association, subject to the direction of the Board. The Board shall determine the compensation to be paid to the manager. The Board may also hire such employees as may be needed to carry out the Association's duties and may also retain the services of professional advisers, such as engineers, architects, accountants, and attorneys, to advise the Board with respect to the business of the Association. In order to preclude the possibility that the Board be comprised of multiple individuals who are related either by marriage or blood, only one (1) such relative may serve on the Board at any given time.

Section 4.2 - Removal of Directors. The Members, by a seventy-five percent (75%) vote of all Members entitled to vote in person or by absentee ballot, may remove any member of the Board of Directors with or without cause. For purposes of calling for removal of a member of the Board of Directors, the following apply: (a) on receipt of a petition that calls for removal of a member of the Board of Directors and that is signed by the number of persons who are entitled to cast at least twenty-five percent (25%) of the votes in the association, the Board shall call and

provide written notice of a special meeting of the Association; (b) the Board shall provide written notice of a special meeting pursuant to Section 3.2 above; (c) the special meeting shall be called, noticed and held within thirty (30) days after receipt of the petition; (d) for purposes of a special meeting called pursuant to this section, a quorum is present if the number of owners to whom at least seventy-five percent (75%) of the votes are allocated are present at the meeting in person or as otherwise permitted by law; (e) if an arbitration proceeding, and/or civil action is commenced/filed regarding the removal of a Board member, the prevailing party in the arbitration proceeding/civil action shall be awarded its reasonable attorney fees and costs; (f) the Board of Directors shall retain all documents and other records relating to the proposed removal of the member of the Board of Directors for at least one (1) year after the date of the special meeting and shall permit Members to inspect those documents and records pursuant to the provisions of A.R.S. § 33-1805, as amended; (g) a petition that calls for the removal of the same member of the Board of Directors shall not be submitted more than once during each term of office for that member.

Section 4.3 - Vacancies on Board of Directors. If the office of any Director becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, disability or otherwise, a majority of the remaining Directors, though less than a quorum, shall solicit from the applicable Phase Association a successor appointee. Upon the appointment of a successor, such Director shall hold office until such successor Director's term expires in accordance with Section 4.1 above.

Section 4.4 - Resignation of Directors. Any Director may resign at any time by sending written notice of such resignation to the secretary of the Association at the office of the Association. Unless otherwise specified therein, such resignation shall take effect upon its receipt by the secretary.

Section 4.5 - Regular Meetings/Open Meetings. The Board of Directors shall conduct one (1) Annual Meeting each year. The Board of Directors may establish a schedule of regular meetings to be held at such time and place as the Board of Directors may designate. From and after 24 July 2014, all meetings of the Board of Directors are open to all Members of the Association or any person designated by a Member in writing as the Member's representative and all Members or designated representatives so desiring shall be permitted to attend and speak at an appropriate time during the deliberations and proceedings. The Board may place reasonable time restrictions on those persons speaking during the meeting but shall permit a Member or Member's designated representative to speak before the Board takes formal action on an item under discussion in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue. Any portion of a meeting may be closed only if that closed portion of the meeting is limited to consideration of one or more of the following: (a) legal advice from an attorney for the board or the association. On final resolution of any matter for which the board received legal advice or that concerned pending or contemplated litigation, the board may disclose information about that matter in an open meeting except for matters that are required to remain confidential by the terms of a settlement agreement or judgment; (b) pending or contemplated litigation; (c) personal, health and financial information about an individual Member of the Association, an individual employee of the Association or an individual employee of a contractor

for the Association; and, (d) matters relating to the job performance of, compensation of, health records of or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association who works under the direction of the Association. All meetings of the Board shall be held in Arizona. Notice to members of meetings of the Board of Directors shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board of Directors. An affidavit of notice by an officer of the Association is prima facie evidence that notice was given as prescribed by this section. Notice to Members of meetings of the Board of Directors is not required if emergency circumstances require action by the Board before notice can be given. Any notice of a Board meeting shall state the time and place of the meeting. The failure of any Member to receive actual notice of a meeting of the Board of Directors does not affect the validity of any action taken at that meeting.

Section 4.6 - Powers and Duties. Unless a specific provision of the Declaration expressly permits or requires the Members to take action, all actions and business of the Association shall be conducted exclusively by the Board and the Association officers, employees, committees, managers and agents appointed or elected by and acting under the direction of the Board, and actions taken by the Board, the officers, employees, committees, managers and agents shall not be subject to review by the Members. The Board of Directors shall have the powers necessary for the administration of the affairs of the Association including, without limitation, the following:

- A. To make Assessments as authorized by the Declaration, collect Assessments, and use and expend Assessments to carry out the purpose and powers of the Association;
- B. To coordinate with the Dragoon Mountain Ranch Property Owners' Association (the "Master Association") for the Master Association to be the conduit for the collection of assessments that would otherwise be payable to the Association, provided that the expenditure of such assessments shall be dealt with on an equitable basis vis-a-vis the Association;
- C. To employ, dismiss and control the personnel necessary for the maintenance of the Common Areas/roadways and operation of the Association, including the right and power to employ attorneys, accountants, contractors and other professionals as the need arises;
- D. To coordinate with such the Master Association to be the conduit for the maintenance of the roadways within the Dragoon Mountain Ranch community so as to facilitate uniform maintenance standards and scheduling;
- E. To make and amend the Association Rules, provided that such Rules do not conflict with or have the impact of creating restrictions that exceed those set forth in the Declaration;
- F. To contract for the management of the Association and to designate to such manager all or a portion of the powers and duties of the Association;
- G. To engage in the management of the business affairs of the Association

including, without limitation, the maintenance, repair, replacement and operation of the Common Areas;

H. To enforce by legal means, if necessary, the provisions of the Declaration, the Articles of Incorporation, the Bylaws and the Association Rules, and other documents and laws respecting the Association and the Property, provided that such enforcement is unanimously agreed upon by all Members of the Board of Directors;

I. To pay taxes and assessments which are liens against any part of the Common Area;

J. To pay the cost of all utilities and services rendered to the Common Areas ;
and,

K. To select the officers of the Association.

Section 4.7 - Architectural Control. The Board of Directors shall serve as the Architectural Control Committee of the Association. Pursuant to Part 5 of the Declaration, plans and specifications for any contemplated improvement or other work subject to the review and approval of the Architectural Control Committee may be submitted either in the form of plans and specifications and/or a narrative setting forth the nature and scope of intended work to be performed. Such plans/specifications and/or narrative shall be accompanied by a notarized Certification, in the form attached hereto as **Exhibit "A"**, executed by the Parcel Owner certifying that such work shall be commenced, performed and completed in substantial compliance with the requirements of the Declaration. Recognizing each Owner's obligation to comply with the Declaration, and the Association's good faith belief that each Owner shall live up to her/her obligations, upon receipt of the executed Certification and accompanying plans/specifications and/or narrative, the submittal shall be deemed to be approved by the Architectural Control Committee. Notwithstanding the foregoing, if at any time during the performance of the contemplated work, or following the completion of such work, a reasonable person could conclude that such work does not substantially comply with the requirements of the Declaration; and, in fact, such work does not so comply, the Board of Directors, by unanimous consent, may take such steps as reasonably necessary to obtain the subject Owner's compliance with the Declaration. The failure of the Board of Directors to take action shall not prejudice any Owner's individual right to enforce the Declaration. The Architectural Control Committee shall act at all times in a respectful and reasonable manner when exercising its responsibilities under the Declaration. To that end, based upon good cause, the Architectural Control Committee may grant such variances as may be reasonable under the circumstances, provided that such variances do not materially and adversely impact the value, desirability and attractiveness of the Parcels. Copies of all submittals shall be retained in the records of the Association for not less than six (6) years following the substantial completion of the contemplated work. Such submittals may also be transmitted by the Architectural Control Committee to the Master Association's repository of submittals for notice purposes only.

Section 4.8 - Nominating Committee. The Board of Directors shall appoint a

Nominating Committee consisting of at least two (2) members, both of whom may be Board members. The purpose of the Nominating Committee shall be to name persons to fill vacancies on the Board of Directors caused by the expiration of a Board member's term. The Nominating Committee shall prepare a slate of eligible persons, which slate shall be presented to the membership for vote. No other Board nominations shall be voted upon, other than from the slate prepared by the Nominating Committee. Notwithstanding the foregoing, nominations may be made from the floor at any meeting at which a vote for Directors is undertaken.

Section 4.9 - Road Committee. The Board of Directors shall appoint one (1) or more persons to serve on the Master Association's Road Committee, as representatives of the Association. Such persons need not be members of the Board of Directors.

Section 4.10 - Finance Committee. The Board of Directors shall appoint one (1) or more persons to serve on the Master Association's Finance Committee, as representatives of the Association. The first such person shall be the Treasurer of the Association. Additional appointees need not be members of the Board of Directors.

Section 4.11 - Special Meetings. Special meetings of the Board of Directors may be called by the president on two (2) days notice to each Director. All notices shall be served in one of the following manners: (1) via first-class U.S. mail, postage prepaid, sent to the address of the Director as it appears in the records of the Association; or, (2) via confirmed facsimile, sent to the facsimile number of the Director as it appears in the records of the Association; or, (3) via confirmed electronic mail, sent to the electronic mail address of the Director as it appears in the records of the Association. Notice shall be deemed properly given, as follows: (1) if mailed, upon deposit into the U.S. mail; (2) if by facsimile, upon receipt of a machine generated confirmation that the facsimile transmission was successful; or, (3) if by electronic mail, upon the receipt of a confirmation that the transmission was received. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least two-thirds (2/3) of the Directors. From and after 24 July 2014, all special meetings of the Board of Directors are open to all Members of the Association or any person designated by a Member in writing as the Member's representative and all Members or designated representatives so desiring shall be permitted to attend and speak at an appropriate time during the deliberations and proceedings. The Board may place reasonable time restrictions on those persons speaking during the meeting but shall permit a Member or Member's designated representative to speak before the Board takes formal action on an item under discussion in addition to any other opportunities to speak. The Board shall provide for a reasonable number of persons to speak on each side of an issue. Any portion of a meeting may be closed only if that closed portion of the meeting is limited to consideration of one or more of the following: (a) legal advice from an attorney for the board or the association. On final resolution of any matter for which the board received legal advice or that concerned pending or contemplated litigation, the board may disclose information about that matter in an open meeting except for matters that are required to remain confidential by the terms of a settlement agreement or judgment; (b) pending or contemplated litigation; (c) personal, health and financial information about an individual Member of the Association, an individual employee of the Association or an individual employee of a contractor for the Association; and, (d) matters relating to the job

performance of, compensation of, health records of or specific complaints against an individual employee of the Association or an individual employee of a contractor of the Association who works under the direction of the Association. All meetings of the Board shall be held in Arizona. Notice to members of meetings of the Board of Directors shall be given at least forty-eight (48) hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means as determined by the Board of Directors. An affidavit of notice by an officer of the Association is prima facie evidence that notice was given as prescribed by this section. Notice to Members of meetings of the Board of Directors is not required if emergency circumstances require action by the Board before notice can be given. Any notice of a Board meeting shall state the time and place of the meeting. The failure of any Member to receive actual notice of a meeting of the Board of Directors does not affect the validity of any action taken at that meeting.

Section 4.12 - Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meetings and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 4.13 - Board of Director's Quorum. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors, there should be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

ARTICLE 5

Officers

Section 5.1 - Officers. The principal officers of the Association shall be the President, Vice President, Secretary, and Treasurer. Unless prohibited by applicable law, any Director may hold one or more offices.

Section 5.2 - Term. The officers of the Association shall hold office until their successors are chosen and qualify in their stead. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 5.3 - President. The President shall be the chief executive officer of the Association and shall preside at all meetings of the Members. He shall have executive powers and general supervisory authority over the affairs of the Association.

Section 5.4 - Vice President. The Vice President shall perform all of the duties of

the president in his absence or disability and any other such duties as may be required of him from time to time by the Board of Directors .

Section 5.5 - Secretary. The secretary/treasurer shall issue notices of all meetings of the Members and shall attend and keep minutes of the same and shall have charge of all of the Association's books, records and papers.

Section 5.6 - Treasurer. The Treasurer shall have custody and shall keep full and accurate account of receipts and disbursements in books belonging to the Association and shall deposit all monies and other valuable effects in the name of and to the credit of the Association, in such depositories as may be designated from time to time by the Board of Directors.

Section 5.7 - Contracts. Unless otherwise provided by the Board, all contracts shall be executed on behalf of the Association by either the President or Vice President.

ARTICLE 6

Amendments of the Bylaws

Section 6.1 - Amendments. These Bylaws may be altered, amended or added to by the affirmative vote of a majority of the Board at any duly called meeting of the Board, provided: notice of the meeting shall contain a statement of the proposed amendment. Once adopted by the Board of Directors, the proposed amendment shall be subject to ratification by not less than seventy-five percent (75%) of all Owners. Such ratification vote may be conducted by mail ballot, or at the next meeting of the Members following the date upon which the proposed amendment was adopted by the Board of Directors. If the Members fail to ratify the proposed amendment, such proposed amendment shall be deemed to be null and void.

Section 6.2 - Inconsistencies. Notwithstanding the foregoing, these Bylaws shall not be amended to contain any provision which would be contrary to or inconsistent with the Declaration as in effect from time to time, and any purported amendment to these Bylaws which is contrary to or inconsistent with the Declaration shall be void to the extent of such inconsistency.

ARTICLE 7

Construction

Section 7.1 - Priorities. Any discrepancies or conflicts between the provisions of the Arizona Revised Statutes or applicable law, the Declaration, the Articles and Bylaws, and the Association Rules shall, unless otherwise provided, be resolved by giving priority first to the Arizona Revised Statutes or applicable law, second to the Declaration, third to the Articles, fourth to the Bylaws, and fifth to the Association Rules; provided, however, to the extent not specifically precluded by any provision of the Arizona Revised Statutes, or by applicable law, the provisions of the Declaration shall be superior to all other documents referenced in this Section 7.1 and shall


prevail with regard to any discrepancy or conflict.

Section 7.2 - Disputes. In the event of any dispute or disagreement between the Owners relating to the Covered Property, or any questions of interpretation or application of the provisions of the Articles of Incorporation, Declaration, or these Bylaws, the determination thereof by the Board shall be final and binding on each and all Owners, subject to any and all appeal rights as may be available at law or in equity to any Owner.


CERTIFICATION OF ADOPTION

This is to certify that the foregoing Bylaws were duly adopted by the Board of Directors of Dragoon Mountain Ranch Unit 2 Property Owners' Association, pursuant to an action by unanimous written consent of the Board of Directors in Lieu of Meeting dated, 23 July 2014.

DRAGOON MOUNTAIN RANCH UNIT 2 PROPERTY OWNERS' ASSOCIATION, an Arizona nonprofit corporation

By 
Its PRESIDENT

Attest:


Secretary